

Uniform Residential Appraisal Report

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.						
Property Address 2033 Palm Avenue		City Chico		State Ca Zip Code 95926		
Borrower Lambert, Kathleen		Owner of Public Record Lambert, Kathleen		County Butte		
Legal Description T.22N, R.1 E. M.D.B.&M.						
Assessor's Parcel # 003-361-005		Tax Year 2009		R.E. Taxes \$ 878.64		
Neighborhood Name Bidwell 14th Subdivision		Map Reference Butte County		Census Tract 0007.00		
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant		Special Assessments \$ N/A		<input type="checkbox"/> PUD	HOA \$ N/A	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Estimate Market Value						
Lender/Client WACHOVIA MORTGAGE FSB Address 4101 WISEMAN BLVD, SAN ANTONIO 78251, SAN ANTONIO 78251						
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						
Report data source(s) used, offering price(s), and date(s). MLS#200900306-Current List Price \$169,500 as of 9/25/2009. Prior List price 229,000 as of 1/12/2009. MLS states short sale/reo contingent.						
I <input type="checkbox"/> did <input checked="" type="checkbox"/> not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. No contract of sale.						
Contract Price \$ N/A		Date of Contract N/A		Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s) N/A		
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No						
If Yes, report the total dollar amount and describe the items to be paid. None Noted						
Note: Race and the racial composition of the neighborhood are not appraisal factors.						
Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %
Location <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE <input type="checkbox"/> AGE <input type="checkbox"/>	One-Unit	90 %		
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000) <input type="checkbox"/> (yrs) <input type="checkbox"/>	2-4 Unit	5 %		
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	88 Low <input type="checkbox"/> 4 <input type="checkbox"/> Multi-Family <input type="checkbox"/>	Commercial	%		
Neighborhood Boundaries Lindo Channel north, Mangrove east, East 1st Avenue south, Esplanade west.		325 High <input type="checkbox"/> 115 <input type="checkbox"/>	190 Pred. <input type="checkbox"/> 40 <input type="checkbox"/> Other Land <input type="checkbox"/>	5 %		
Neighborhood Description Single family dwellings with some two unit properties dispersed throughout. This older established neighborhood is a mix of average to fair quality and condition homes. Various gla's. Some of these older vintage homes have been remodeled and some remain original. Throughout the years some garages have been converted into studio apartment due to the new zoning ordinance.						
Market Conditions (including support for the above conclusions) Financing is readily available consisting of conventional, cal-vet, owner finance, fha, va and cal-vet. The interest rates are still low enough to be a drawing competitive factor. See 1004mc for additional market conditions.						
Dimensions 44x150		Area .15 Ac +/-		Shape Rectangular		View Local
Specific Zoning Classification R1 Zoning Description Residential 5,000 square foot minimum						
Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. Single Family.						
Zoning allows for a small studio. Not stove was noted within the detached unit.						
Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements-Type	Public Private
Electricity <input checked="" type="checkbox"/>	<input type="checkbox"/>	Water <input checked="" type="checkbox"/>	<input type="checkbox"/>	Street Asphalt <input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gas <input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer <input type="checkbox"/>	<input checked="" type="checkbox"/> Septic System	Alley None <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X		FEMA Map # 06007C0505C		FEMA Map Date 6/8/1998
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. Septic systems are typical for the area.						
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. See preliminary title report for easements, encroachments, special assessments or environmental conditions as this was not seen or given to the appraiser.						
GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION		materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	Concrete Slab <input checked="" type="checkbox"/> Crawl Space <input type="checkbox"/>	Foundation Walls <input checked="" type="checkbox"/> Concrete-Avg <input type="checkbox"/>	Floors <input type="checkbox"/> Tile/Wd-Avg			
# of Stories One	Full Basement <input type="checkbox"/> Partial Basement <input type="checkbox"/>	Exterior Walls <input type="checkbox"/> Wood-Avg <input type="checkbox"/>	Walls <input type="checkbox"/> Drywl/Pistr-Avg			
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S Det./End Unit	Basement Area <input type="checkbox"/> None sq. ft.	Roof Surface <input type="checkbox"/> Comp-Avg <input type="checkbox"/>	Trim/Finish <input type="checkbox"/> Pnt Wd-Avg			
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish <input type="checkbox"/> %	Gutters & Downspouts <input type="checkbox"/> None Noted <input type="checkbox"/>	Bath Floor <input type="checkbox"/> Tile-Avg			
Design (Style) Ranch/Bungalow	Outside Entry/Exit <input type="checkbox"/> Stump Pump <input type="checkbox"/>	Window Type <input type="checkbox"/> Wd/Si-Alum-Avg <input type="checkbox"/>	Bath Wainscot <input type="checkbox"/> Tile-Avg			
Year Built 1943	Evidence of <input type="checkbox"/> Infestation <input type="checkbox"/>	Storm Sash/Insulated <input type="checkbox"/> Yes-Avg <input type="checkbox"/>	Car Storage <input checked="" type="checkbox"/> None <input type="checkbox"/>			
Effective Age (Yrs) 25yrs	Dampness <input type="checkbox"/> Settlement <input type="checkbox"/>	Screens <input type="checkbox"/> Partial-Avg <input type="checkbox"/>	Driveway <input type="checkbox"/> # of Cars <input type="checkbox"/> Two <input type="checkbox"/>			
Attic <input type="checkbox"/> None <input type="checkbox"/>	Heating <input type="checkbox"/> PWA <input type="checkbox"/> HWB8 <input type="checkbox"/> Radiant <input type="checkbox"/>	Amnities <input type="checkbox"/> WoodStove(s) #1 <input type="checkbox"/>	Driveway Surface <input type="checkbox"/> Gravel <input type="checkbox"/>			
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs <input type="checkbox"/>	<input type="checkbox"/> Other Floor <input type="checkbox"/> Fuel Gas <input type="checkbox"/>	<input type="checkbox"/> Fireplace(s) # <input checked="" type="checkbox"/> Fence Pmrtr <input type="checkbox"/>	Garage <input type="checkbox"/> # of Cars <input type="checkbox"/>			
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle <input type="checkbox"/>	Cooling <input type="checkbox"/> Central Air Conditioning <input type="checkbox"/>	<input type="checkbox"/> Patio/Deck Deck <input type="checkbox"/> Porch <input type="checkbox"/>	Carport <input type="checkbox"/> # of Cars <input type="checkbox"/>			
Finished <input type="checkbox"/> Heated <input type="checkbox"/>	Individual <input type="checkbox"/> Other Wall <input type="checkbox"/>	Pool <input type="checkbox"/>	Other <input type="checkbox"/> All. <input type="checkbox"/> Del. <input type="checkbox"/> Built-in <input type="checkbox"/>			
Appliances <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/>	Dishwasher <input checked="" type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/>	Washer/Dryer <input type="checkbox"/>	Other (describe) <input type="checkbox"/>			
Finished area above grade contains: 4 Rooms <input type="checkbox"/> 2 Bathrooms <input type="checkbox"/> 1 Bath(s) <input type="checkbox"/> 843 Square Feet of Gross Living Area Above Grade						
Additional features (special energy efficient items, etc.) Newer septic, detached studio unit/garage conversion, auto sprinklers, detached storage to the rear, perimeter fencing, no known laundry room. Older electrical outlets.						
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) **The appraiser of this report is not a building inspector nor is he/she a termite inspector and is not responsible for any structural, electrical, mechanical, or pest damage nor openly visible during the initial inspection of the property. Inspections made by a qualified building inspector might reveal damage that could negatively affect the value of the property. Average quality home in average condition. Preventative maintenance throughout the years making effective age less than actual age by more than ten years, however minimal updating.						
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. None noted upon inspection. It is not known the working condition of the woodstove.						
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. Mix style of qualities, conditions, ages, gla's within the subject neighborhood. The subject property is conforming to the area.						

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There are 8 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 149,000 to \$ 229,000 .					
There are 11 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 120,000 to \$ 235,000 .					
FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3	
2033 Palm Avenue Address Chico		276 East 8th Avenue Chico	1822 Palm Avenue Chico	1132 Arbutus Avenue Chico	
Proximity to Subject		0.33 miles SSW	0.21 miles SSE	0.64 miles SE	
Sale Price	\$ N/A	\$ 213,000	\$ 200,000	\$ 180,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 201.32 sq. ft.	\$ 196.08 sq. ft.	\$ 210.28 sq. ft.	
Data Source(s)	Inspection	MLS#200908090-DOM-5	MLS#200903630-DOM-38	MLS#200901364-DOM-89	
Verification Source(s)	Pblc Rcrds	Pblc Rcrds/List Prc \$224,950	Pblc Rcrds/Lst Prc \$209,000	Pblc Rcrds/Lst Prc \$192,000	
VALUE ADJUSTMENTS	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	
Sale or Financing Concessions	None Noted	Conv None Ntd MLS	Conv SllrCredit\$5,000	-5,000 None Ntd MLS	
Date of Sale/Time	N/A	10/16/2009 COE	7/31/2009 COE	5/29/2009 COE	
Location	Urban	Urban	Urban	Urban	
Leaschd/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	
Site	.15 Ac +/-	.10 Ac +/-	.13 Ac +/-	.15 Ac +/-	
View	Local	Local	Local	Local	
Design (Style)	Ranch/Bungalow	Ranch/Bungalow	Ranch/Bungalow	Ranch/Bungalow	
Quality of Construction	Average	Average	Average	Average	
Actual Age	66yrs Eff 25	61yrs Eff 15	-5,000 54yrs Eff 15	-5,000 69yrs Eff 15	-5,000
Condition	Average	SI Sup/Updated	-10,000 SI Sup/Updated	-10,000 SI Sup/Updated	-10,000
Above Grade	Total Bathrs.	Total Bathrs.	-3,000	Total Bathrs.	Total Bathrs.
Room Count	4 2 1	5 3 2	-3,000	5 2 2	-3,000
Gross Living Area 50.00	843 sq. ft.	1,058 sq. ft.	-10,750	1,020 sq. ft.	-8,850
Basement & Finished Rooms Below Grade	None	None	None	None	None
Functional Utility	Average	Average	Average	Average	Average
Heating/Cooling	Floor Wall	Fau/Cent	Wall/Floor	Fau/Cent	Fau/Cent
Energy Efficient Items	None Noted	None Noted	None Noted	None Noted	None Noted
Garage/Carport	None	None	+5,000 2Car Garage	Offset	Carport/Shop Ar
Porch/Patio/Deck	Patio/Deck	Patio/Porch	Patio/Porch	Cv Patio	Offset
	1 W/S	1 F/P	1 F/P	1 F/P	
	Fence	Fence	Fence	Fence	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 26,750	<input type="checkbox"/> - <input checked="" type="checkbox"/> + \$ 31,850	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ 15,650	
Adjusted Sale Price of Comparables		Net Adj. -12.6% Gross Adj. 17.3%	Net Adj. -15.9% Gross Adj. 15.9%	Net Adj. -8.7% Gross Adj. 8.7%	\$ 164,350

SALES COMPARISON APPROACH

I did did not research the sale or transfer history of the subject property and comparable sales. If no, explain Per Butte County on-line service (Parcel Quest), the subject property has not changed ownership within a three year period.

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) Public Records

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) Public Records

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	2/12/2004	7/30/1999	7/25/2003	7/13/2006
Price of Prior Sale/Transfer	None Noted	98,500	\$184,000	\$246,000
Data Source(s)	Public Records	Public Records	Public Records	Public Records
Effective Date of Data Source(s)	11/17/2009	11/17/2009	11/17/2009	11/17/2009

Analysis of prior sale or transfer history of the subject property and comparable sales Per Butte County on-line service (Parcel Quest) no change of ownership for the comparables within the one year period.

Summary of Sales Comparison Approach. Most weight is given to the sales comparison approach to value as it best reflects the difference between buyer and seller.

This appraisal is intended for use only by Wachovia and not to be used by any other party for any other reason

Indicated Value by Sales Comparison Approach \$ 180,000

Indicated Value by Sales Comparison Approach \$ 180,000 Cost Approach (if developed) \$ 80,000 Income Approach (if developed) \$ N/A

Income approach does not apply to this property.

This appraisal is made "as is." subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. If the subject property was built prior to 1978 it may contain lead-base paint.

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 180,000 as of 11/17/2009, which is the date of inspection and the effective date of this appraisal.

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See Attached Addendum

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

COST APPROACH

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 80,000		
Source of cost data		Dwelling Sq. Ft. @ \$ = \$ 0		
Quality rating from cost service	Effective date of cost data	Sq. Ft. @ \$ = \$		
Comments on Cost Approach (gross living area calculations, depreciation, etc.)		Garage/Carport 0 Sq. Ft. @ \$ = \$ 0		
		Total Estimate of Cost New = \$ 0		
		Less	Physical	Functional
				External
				= \$ (0)
		Depreciated Cost of Improvements = \$ 0		
		"As-is" Value of Site Improvements = \$		

Estimated Remaining Economic Life (HUD and VA only) 45 Years INDICATED VALUE BY COST APPROACH = \$ 80,000

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and CRM)

INCOME

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No Unit type(s) Detached Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases Total number of units Total number of units sold

Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? Yes No If Yes, date of conversion.Does the project contain any multi-dwelling units? Yes No Data source(s)Are the units, common elements, and recreation facilities complete? Yes No If No, describe the status of completion.Are the common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.

Describe common elements and recreational facilities.

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

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21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Mark Stewart
 Name Marcia Stewart
 Company Name Stewart Appraisal M
 Company Address P.O. Box 4158, Chico, Ca, 95927

Telephone Number 530-894-6119
 Email Address skeeterm@sbcglobal.net
 Date of Signature and Report 11/18/2009
 Effective Date of Appraisal 11/17/2009
 State Certification #
 or State License # AL 012800
 or Other (describe) _____ State # _____
 State Cal
 Expiration Date of Certification or License 06/25/2011

ADDRESS OF PROPERTY APPRAISED
 2033 Palm Avenue
 Chico, Ca 95926

APPRaised VALUE OF SUBJECT PROPERTY \$ 180,000

LENDER/CLIENT
 Name Wachovia
 Company Name WACHOVIA MORTGAGE FSB
 Company Address 4101 WISEMAN BLVD, SAN ANTONIO 78210
 SAN ANTONIO 78251
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY
 Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES
 Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

Uniform Residential Appraisal Report

ADDENDUM

Borrower: Lambert, Kathleen	File No.: 091106
Property Address: 2033 Palm Avenue	Case No.: 091112-DDAQS-1
City: Chico	State: Ca
Lender: WACHOVIA MORTGAGE FSB	Zip: 95926

Additional Comments

Clarification of Intended Use and Intended User:

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.**Unless otherwise noted. The appraiser assumes the various elements that constitute the subject property are fundamentally sound and in working order. Statements regarding condition, particularly those regarding heating and cooling systems, dampness, pests, drainage and dirt movement are based upon surface observations only** This appraisal report should not and may not be relied upon to disclose the condition, of the property or the presence of any or all non-surface defects. The lender/client is invited and encouraged to employ qualified experts to inspect and address any and all areas of concern. It should be noted that the purchase of this home should require a whole house inspection.

Subject is located within an older established neighborhood. Ranch/bungalow style homes of fair to average quality and in fair to good condition. Some homes within the area have alley access, with some of the garage converted into studio type properties. Chico with a population of 90,000+- provides all needed services. Chico State University is located within 2 miles+-. Shopping, employment within 1 mile+-. Chico State University being the largest employer, with the city offices being second. Butte County is also known for its agricultural uses, rice, almond and walnut orchards.

The Chico market is relatively active at present given its population. The current economy and foreclosures, short sales have had an impact on the values within the County. Marketing times for the upper end homes can exceed the six month time frame. Homes within the 125-275 thousand price range appear to be the market movers at this time.

Although lack of recent similar sales required the use of sales more than 90 days previous, the sales provided within the report were the best available at the time. Appears that the market may be stabilizing out, and listing days on market have declined.

The subject an older ranch/bungalow style home is built of average quality materials. This home shows preventative maintenance making effective age less than actual age by more than ten years. However minimal updating. The once was one car garage has been converted into a studio. Per mls print out, permits were obtained for this. The mls shows a square footage of 1471, however they are including the detached studio. The subject's sewage is by private septic system. This is typical for this area having no apparent affect on the value or marketability. Also noted on the property is a detached garden type shed. This property is completely fenced. Lack of garages are typical for this neighborhood. The subject has a driveway as to make adequate off street parking. The subject is in need of paint, some chipping and peeling interior and exterior, roof appears to have patches toward the pitch, however no water stains were noted on the interior.

Sale one has been completely remodeled over the years, dual pane windows, roof hvac, back yard decking hot tub paint ect. This property lacks a garage.

Sale two located on the same street as the subject. This home has also been updated, windows, carpet, paint, kitchen. This sale included a detached two car garage and bonus room, covered front porch, rear patio and septic system as the subject. Sale three is located from a competing neighborhood. This home has been remodeled, new paint, floor covering, new kitchen and provides a garage shop.

All three sales and two active listings were given weight and consideration when arriving at an estimated market value for the subject property. Although all five comparables have been remodeled adjustments were made to reflect. Large adjustments for overall effective age and condition caused the gross, net to exceed 25 and 15 percent. Gross living area for sales one and two are more than 200 square feet larger indicating a large line adjustment.

Subject property falls within the range of on-unit housing. Land value is greater than 30% this is not uncommon within this marketplace.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Lambert, Kathleen
Property Address: 2033 Palm Avenue
City: Chico
Lender: WACHOVIA MORTGAGE FSB

File No.: 091106
Case No.: 091112-DDAQS-1
State: Ca
Zip: 95926



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: November 17, 2009
Appraised Value: \$ 180,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Lambert, Kathleen
Property Address: 2033 Palm Avenue
City: Chico
Lender: WACHOVIA MORTGAGE FSB

File No.: 091106
Case No.: 091112-DDAQS-1
State: Ca
Zip: 95926



COMPARABLE SALE #1

276 East 8th Avenue
Chico
Sale Date: 10/16/2009 COE
Sale Price: \$ 213,000



COMPARABLE SALE #2

1822 Palm Avenue
Chico
Sale Date: 7/31/2009 COE
Sale Price: \$ 200,000



COMPARABLE SALE #3

1132 Arbutus Avenue
Chico
Sale Date: 5/29/2009 COE
Sale Price: \$ 180,000

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Lambert, Kathleen
Property Address: 2033 Palm Avenue
City: Chico
Lender: WACHOVIA MORTGAGE FSB

File No.: 091106
Case No.: 091112-DDAQS-1
State: Ca
Zip: 95926



COMPARABLE SALE #4

386 E 4th Avenue
Chico
Sale Date: Active Listing
Sale Price: \$ 218,000



COMPARABLE SALE #5

132 W 2nd Avenue
Chico
Sale Date: Active Listing
Sale Price: \$ 225,000

COMPARABLE SALE #6

Sale Date:
Sale Price: \$

Borrower: Lambert, Kathleen
Property Address: 2033 Palm Avenue
City: Chico
Lender: WACHOVIA MORTGAGE FSB

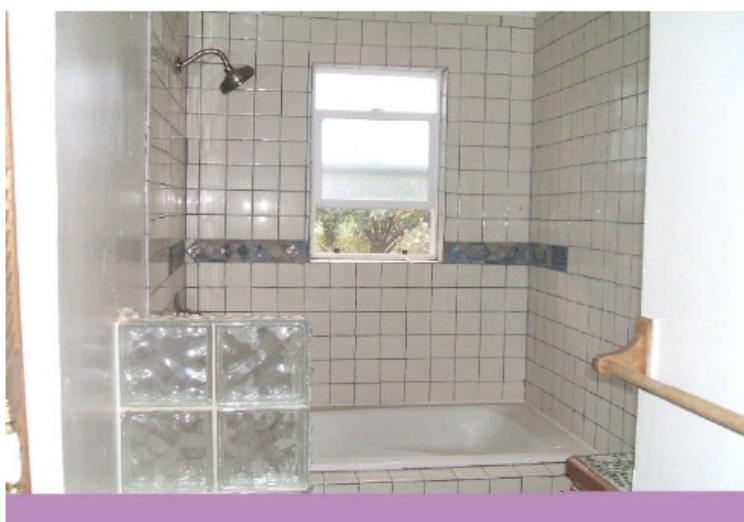
File No.: 091106
Case No.: 091112-DDAQS-1
State: Ca
Zip: 95926



LIVING ROOM/WOOD STOVE



KITCHEN



BATHROOM

STEWART APPRAISAL M

Borrower: Lambert, Kathleen
Property Address: 2033 Palm Avenue
City: Chico
Lender: WACHOVIA MORTGAGE FSB

File No.: 091106
Case No.: 091112-DDAQS-1
State: Ca
Zip: 95926



REAR OF STUDIO



DETACHED GARDEN SHOP



FRONT OF STUDIO

FLOORPLAN

Borrower: Lambert, Kathleen
 Property Address: 2033 Palm Avenue
 City: Chico
 Lender: WACHOVIA MORTGAGE FSB

File No.: 091106
 Case No.: 091112-DDAQS-1
 State: Ca
 Zip: 95926



Sketch by Apex IV Windows™

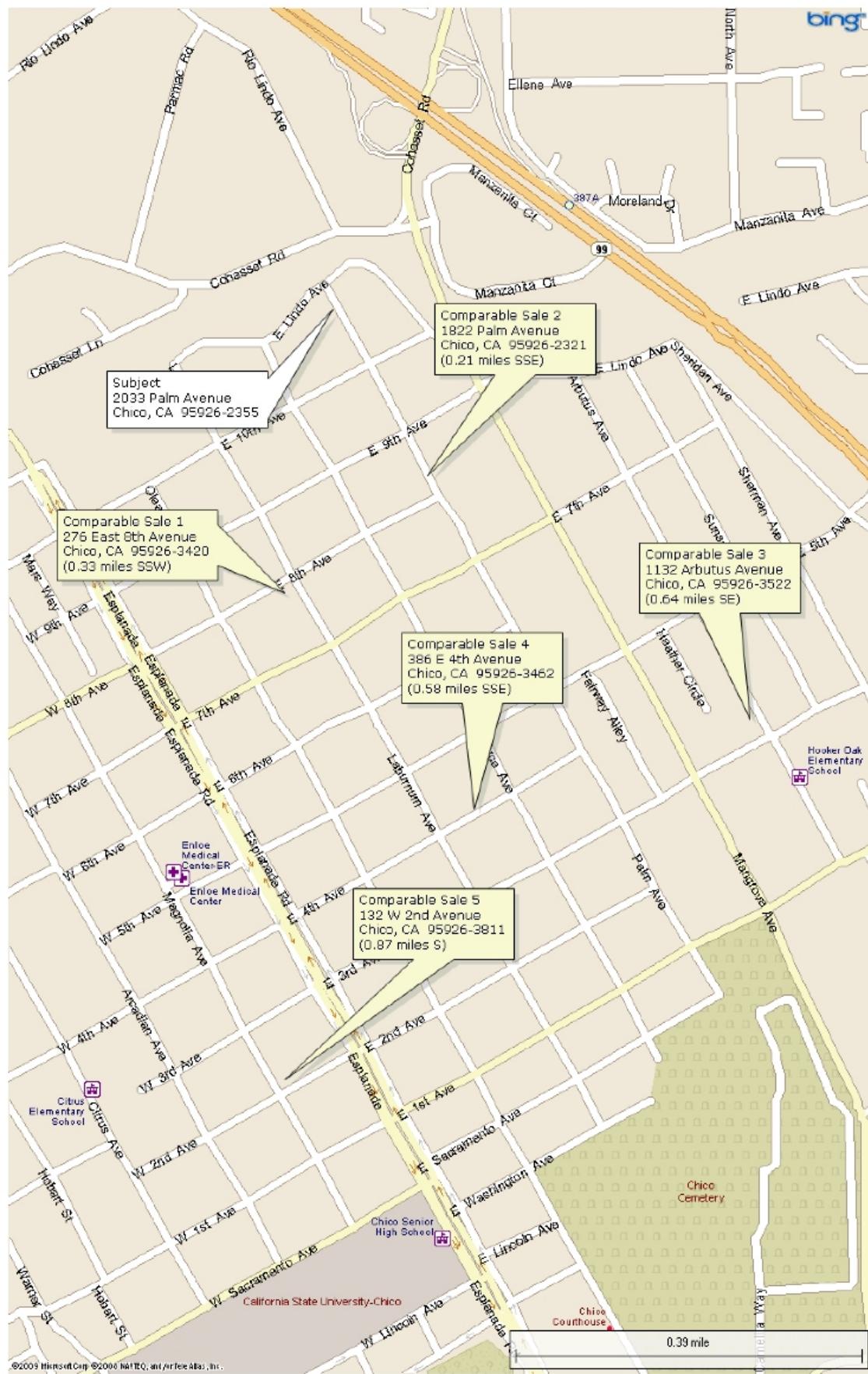
AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	843.00	843.00
OTH	Detached Studio	387.50	387.50
TOTAL LIVABLE		(rounded)	843

LIVING AREA BREAKDOWN			
	Breakdown	Subtotals	
First Floor			
	9.0 x 37.0	333.00	
	17.0 x 30.0	510.00	
2 Areas Total (rounded)			843

LOCATION MAP

Borrower: Lambert, Kathleen
Property Address: 2033 Palm Avenue
City: Chico
Lender: WACHOVIA MORTGAGE FSB

File No.: 091106
Case No.: 091112-DDAQS-1
State: Ca
Zip: 95926



Market Conditions Addendum to the Appraisal Report

File No. 091106

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 2033 Palm Avenue City Chico State Ca Zip Code 95926

Borrower Lambert, Kathleen

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	7	4	1	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	1.17	1.33	0.33	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings	14	9	11	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab. Rate)	11.97	6.77	33.33	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	169,900	190,000	213,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	18	41	5	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	189,450	209,000	223,000	<input checked="" type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market	69	62	47	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	100.00%	95.21%	94.69%	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Seller (developer, builder, etc.) paid financial assistance prevalent?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). Some seller concessions are apparent within the marketplace, however due to the reduced prices, this appears to be an offset.

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Foreclosures and short sales have been a factor within the Chico marketplace. The trends between list and sold have been drastically reduced for expedient sale by the lender. However foreclosures and short sales appear to be softening within the area. All five comparable provided were not short or reo properties.

Cite data sources for above information. Sierra North Valley MLS, Chico.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

It should be noted that the inventory analysis is based on the market area and not the immediate neighborhood, this is primarily due to lack of sales within the subject's neighborhood. Comparable sales settled has declined. Comparable active listings has stabled. Median comparable sale price has slightly increased, however prefer to use stable. Median comparable sales days on market has declined. Median comparable list price has increased. Median comparable listing days on market has slightly decreased. Overall the market appears to be stabilizing out, however there are still inconsistencies due to the foreclosures and short sales. It should be noted that the active/pending and solds on page two of the report differ from the 1004mc, primarily due to the inventory analysis was taken from the marketplace/area.

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab. Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

APPRaiser



Signature _____

Name Marcia L. Stewart

Company Name Stewart Appraisal M

Company Address P.O. Box 4158, Chico, Ca, 95927

State License/Certification # AL_012800 State Cal

Email Address skeeterm@sbcglobal.net

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____

Name _____

Company Name _____

Company Address _____

State License/Certification # _____ State _____

Email Address _____